



Final February 2014 Economic Forecast

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We have updated the preliminary February economic forecast which was released on January 29, 2014. The final February economic forecast reflects a more recent national forecast. This updated economic forecast is consistent with the February 2014 revenue forecast released today, February 19, 2014.

The following tables compare the final February economic forecast with the preliminary February forecast as well as with the forecast adopted in November, 2013.

For more information, please see the February 19th revenue forecast presentation at:

http://www.erfc.wa.gov/forecast/documents/rev20140219_color.pdf (Color, best for viewing)

http://www.erfc.wa.gov/forecast/documents/rev20140219_bw.pdf (Grayscale, best for printing)

U.S. Forecast Comparison

	2013Q4	2014Q1	2014Q2	2014Q3
Real GDP (Billions of 2009 Dollars)				
February Forecast, Final	15,966	16,047	16,156	16,273
Percent Change	3.2%	2.1%	2.7%	2.9%
February Forecast, Preliminary	15,942	16,030	16,135	16,248
Percent Change	2.6%	2.2%	2.6%	2.8%
Real Consumption (Billions of 2009 Dollars)				
February Forecast, Final	10,833	10,902	10,976	11,055
Percent Change	3.3%	2.6%	2.7%	2.9%
February Forecast, Preliminary	10,842	10,903	10,972	11,047
Percent Change	3.7%	2.3%	2.6%	2.8%
Implicit Price Deflator, PCE (2009=1.00)				
February Forecast, Final	1.076	1.078	1.081	1.086
Percent Change	0.7%	1.0%	0.9%	2.0%
February Forecast, Preliminary	1.075	1.078	1.083	1.086
Percent Change	0.5%	1.1%	1.7%	1.3%
Real Personal Income (Billions of 2009 Dollars)				
February Forecast, Final	13,289	13,399	13,521	13,624
Percent Change	1.3%	3.4%	3.7%	3.1%
February Forecast, Preliminary	13,323	13,482	13,582	13,704
Percent Change	2.3%	4.9%	3.0%	3.6%
Nonfarm Payroll Employment (Millions)				
February Forecast, Final	136.7	137.4	137.9	138.5
Percent Change	1.7%	1.8%	1.7%	1.6%
February Forecast, Preliminary	136.9	137.5	137.9	138.6
Percent Change	2.2%	1.7%	1.3%	1.8%
Unemployment Rate (Percent of Labor Force)				
February Forecast, Final	7.0	6.6	6.5	6.4
February Forecast, Preliminary	7.0	6.7	6.6	6.5
30 Year Fixed Mortgage Rate (Percent, average)				
February Forecast, Final	4.3	4.4	4.5	4.7
February Forecast, Preliminary	4.3	4.5	4.6	4.7
3 Month T-Bill Rate (Percent, average)				
February Forecast, Final	0.1	0.1	0.1	0.0
February Forecast, Preliminary	0.1	0.1	0.1	0.0

	2013	2014	2015	2016	2017	2018	2019
	15,767	16,219	16,704	17,171	17,635	18,093	18,546
	1.9%	2.9%	3.0%	2.8%	2.7%	2.6%	2.5%
	15,761	16,196	16,675	17,142	17,605	18,063	18,514
	1.9%	2.8%	3.0%	2.8%	2.7%	2.6%	2.5%
	10,728	11,017	11,329	11,623	11,926	12,224	12,517
	2.0%	2.7%	2.8%	2.6%	2.6%	2.5%	2.4%
	10,730	11,012	11,316	11,610	11,912	12,209	12,502
	2.0%	2.6%	2.8%	2.6%	2.6%	2.5%	2.4%
	1.072	1.084	1.099	1.114	1.128	1.143	1.157
	1.1%	1.1%	1.4%	1.3%	1.3%	1.4%	1.2%
	1.072	1.084	1.099	1.113	1.128	1.143	1.156
	1.1%	1.1%	1.3%	1.4%	1.3%	1.3%	1.1%
	13,186	13,572	14,054	14,549	15,065	15,537	15,988
	1.7%	2.9%	3.6%	3.5%	3.5%	3.1%	2.9%
	13,194	13,646	14,121	14,603	15,107	15,573	16,021
	1.8%	3.4%	3.5%	3.4%	3.5%	3.1%	2.9%
	135.9	138.3	141.1	143.7	145.7	147.1	148.0
	1.6%	1.7%	2.0%	1.9%	1.4%	1.0%	0.6%
	136.0	138.3	140.8	143.3	145.3	146.7	147.6
	1.7%	1.7%	1.8%	1.8%	1.4%	1.0%	0.6%
	7.4	6.4	6.0	5.7	5.6	5.5	5.4
	7.4	6.5	6.1	5.8	5.6	5.6	5.5
	4.0	4.6	5.0	5.7	6.5	6.6	6.5
	4.0	4.6	5.0	5.7	6.5	6.6	6.5
	0.1	0.1	0.4	2.2	3.6	3.7	3.7
	0.1	0.1	0.4	2.2	3.6	3.7	3.7

U.S. Forecast Comparison

	2013Q4	2014Q1	2014Q2	2014Q3
Real GDP (Billions of 2009 Dollars)				
February Forecast, Final	15,966	16,047	16,156	16,273
Percent Change	3.2%	2.1%	2.7%	2.9%
November Forecast	15,859	15,963	16,073	16,185
Percent Change	1.7%	2.7%	2.8%	2.8%
Real Consumption (Billions of 2009 Dollars)				
February Forecast, Final	10,833	10,902	10,976	11,055
Percent Change	3.3%	2.6%	2.7%	2.9%
November Forecast	10,803	10,867	10,936	11,009
Percent Change	2.7%	2.4%	2.5%	2.7%
Implicit Price Deflator, PCE (2009=1.00)				
February Forecast, Final	1.076	1.078	1.081	1.086
Percent Change	0.7%	1.0%	0.9%	2.0%
November Forecast	1.075	1.079	1.084	1.088
Percent Change	0.6%	1.4%	1.7%	1.5%
Real Personal Income (Billions of 2009 Dollars)				
February Forecast, Final	13,289	13,399	13,521	13,624
Percent Change	1.3%	3.4%	3.7%	3.1%
November Forecast	13,336	13,474	13,564	13,672
Percent Change	3.5%	4.2%	2.7%	3.2%
Nonfarm Payroll Employment (Millions)				
February Forecast, Final	136.7	137.4	137.9	138.5
Percent Change	1.7%	1.8%	1.7%	1.6%
November Forecast	136.7	137.3	137.9	138.5
Percent Change	1.6%	1.7%	1.8%	1.7%
Unemployment Rate (Percent of Labor Force)				
February Forecast, Final	7.0	6.6	6.5	6.4
November Forecast	7.2	7.1	7.0	6.8
30 Year Fixed Mortgage Rate (Percent, average)				
February Forecast, Final	4.3	4.4	4.5	4.7
November Forecast	4.2	4.4	4.5	4.6
3 Month T-Bill Rate (Percent, average)				
February Forecast, Final	0.1	0.1	0.1	0.0
November Forecast	0.0	0.1	0.1	0.1

	2013	2014	2015	2016	2017	2018	2019
	15,767	16,219	16,704	17,171	17,635	18,093	18,546
	1.9%	2.9%	3.0%	2.8%	2.7%	2.6%	2.5%
	15,728	16,129	16,596	17,061	17,522		
	1.7%	2.5%	2.9%	2.8%	2.7%		
	10,728	11,017	11,329	11,623	11,926	12,224	12,517
	2.0%	2.7%	2.8%	2.6%	2.6%	2.5%	2.4%
	10,718	10,974	11,270	11,563	11,864		
	1.9%	2.4%	2.7%	2.6%	2.6%		
	1.072	1.084	1.099	1.114	1.128	1.143	1.157
	1.1%	1.1%	1.4%	1.3%	1.3%	1.4%	1.2%
	1.072	1.086	1.102	1.119	1.136		
	1.1%	1.3%	1.5%	1.6%	1.5%		
	13,186	13,572	14,054	14,549	15,065	15,537	15,988
	1.7%	2.9%	3.6%	3.5%	3.5%	3.1%	2.9%
	13,186	13,622	14,052	14,501	14,984		
	1.7%	3.3%	3.2%	3.2%	3.3%		
	135.9	138.3	141.1	143.7	145.7	147.1	148.0
	1.6%	1.7%	2.0%	1.9%	1.4%	1.0%	0.6%
	135.9	138.1	140.5	142.7	144.6		
	1.6%	1.6%	1.7%	1.6%	1.3%		
	7.4	6.4	6.0	5.7	5.6	5.5	5.4
	7.5	6.9	6.4	6.1	6.0		
	4.0	4.6	5.0	5.7	6.5	6.6	6.5
	4.0	4.6	4.9	5.7	6.5		
	0.1	0.1	0.4	2.2	3.6	3.7	3.7
	0.1	0.1	0.4	2.2	3.6		

Washington Forecast Comparison

	2013Q4	2014Q1	2014Q2	2014Q3
Real Personal Income (Billions of 2009 Dollars)				
February Forecast, Final	308.2	311.9	314.6	317.7
Percent Change	1.9%	5.0%	3.4%	4.1%
February Forecast, Preliminary	308.8	314.0	316.1	319.4
Percent Change	2.7%	6.9%	2.7%	4.3%
Personal Income (Billions of Dollars)				
February Forecast, Final	331.5	336.4	340.0	345.1
Percent Change	2.6%	6.0%	4.4%	6.1%
February Forecast, Preliminary	332.0	338.5	342.2	346.9
Percent Change	3.2%	8.1%	4.4%	5.7%
Nonfarm Payroll Employment (Thousands)				
February Forecast, Final	2962	2977	2991	3005
Percent Change	1.7%	2.0%	2.0%	1.8%
February Forecast, Preliminary	2962	2977	2989	3004
Percent Change	1.7%	2.0%	1.7%	1.9%
Unemployment Rate (Percent of Labor Force)				
February Forecast, Final	6.8	6.6	6.5	6.4
February Forecast, Preliminary	6.8	6.6	6.5	6.4
Manufacturing Employment (Thousands)				
February Forecast, Final	286.6	286.6	289.3	291.7
Percent Change	-0.1%	-0.1%	3.9%	3.3%
February Forecast, Preliminary	286.6	286.6	289.7	292.7
Percent Change	-0.1%	-0.1%	4.4%	4.2%
Construction Employment (Thousands)				
February Forecast, Final	149.1	150.3	152.8	154.6
Percent Change	-1.2%	3.2%	6.7%	5.0%
February Forecast, Preliminary	149.1	150.3	152.7	154.4
Percent Change	-1.2%	3.2%	6.4%	4.6%
Housing Permits (Thousands)				
February Forecast, Final	34.6	31.4	32.6	33.6
Percent Change	133.8%	-32.1%	17.1%	12.7%
February Forecast, Preliminary	34.6	31.4	32.6	33.8
Percent Change	133.8%	-32.1%	17.0%	15.5%

2013	2014	2015	2016	2017	2018	2019
305.3	316.2	328.5	341.0	354.4	367.2	379.8
1.9%	3.6%	3.9%	3.8%	3.9%	3.6%	3.4%
305.5	318.0	330.1	342.3	355.4	368.0	380.5
2.0%	4.1%	3.8%	3.7%	3.8%	3.5%	3.4%
327.3	342.7	360.9	379.7	399.8	419.9	439.4
3.1%	4.7%	5.3%	5.2%	5.3%	5.0%	4.7%
327.4	344.7	362.7	381.2	401.0	420.7	439.7
3.1%	5.3%	5.2%	5.1%	5.2%	4.9%	4.5%
2940	2999	3063	3123	3174	3217	3252
2.3%	2.0%	2.1%	2.0%	1.6%	1.4%	1.1%
2940	2997	3056	3113	3163	3206	3239
2.3%	1.9%	2.0%	1.9%	1.6%	1.3%	1.1%
7.0	6.5	6.1	6.0	5.9	5.8	5.8
7.0	6.4	6.1	5.9	5.8	5.8	5.8
286.6	289.9	294.2	296.6	298.4	300.7	302.5
2.3%	1.1%	1.5%	0.8%	0.6%	0.8%	0.6%
286.6	290.5	296.3	298.8	299.7	301.6	303.3
2.3%	1.4%	2.0%	0.8%	0.3%	0.6%	0.6%
148.2	153.6	163.2	173.4	182.7	189.2	192.2
6.6%	3.6%	6.3%	6.2%	5.4%	3.5%	1.6%
148.2	153.4	161.9	171.7	181.6	188.2	191.3
6.6%	3.5%	5.6%	6.1%	5.7%	3.7%	1.6%
31.7	33.1	37.8	41.2	41.8	42.5	43.2
12.6%	4.6%	14.2%	8.9%	1.5%	1.6%	1.7%
31.7	33.1	37.6	41.1	41.7	42.3	42.9
12.6%	4.6%	13.6%	9.4%	1.4%	1.4%	1.5%

Washington Forecast Comparison

	2013Q4	2014Q1	2014Q2	2014Q3
Real Personal Income (Billions of 2009 Dollars)				
February Forecast, Final	308.2	311.9	314.6	317.7
Percent Change	1.9%	5.0%	3.4%	4.1%
November Forecast	309.0	312.6	315.4	318.7
Percent Change	3.3%	4.7%	3.7%	4.3%
Personal Income (Billions of Dollars)				
February Forecast, Final	331.5	336.4	340.0	345.1
Percent Change	2.6%	6.0%	4.4%	6.1%
November Forecast	332.3	337.3	341.8	346.7
Percent Change	3.9%	6.2%	5.4%	5.9%
Nonfarm Payroll Employment (Thousands)				
February Forecast, Final	2962	2977	2991	3005
Percent Change	1.7%	2.0%	2.0%	1.8%
November Forecast	2949	2963	2978	2992
Percent Change	1.2%	2.0%	2.0%	1.9%
Unemployment Rate (Percent of Labor Force)				
February Forecast, Final	6.8	6.6	6.5	6.4
November Forecast	6.9	6.8	6.7	6.6
Manufacturing Employment (Thousands)				
February Forecast, Final	286.6	286.6	289.3	291.7
Percent Change	-0.1%	-0.1%	3.9%	3.3%
November Forecast	285.8	286.9	289.5	292.3
Percent Change	-0.6%	1.4%	3.7%	3.9%
Construction Employment (Thousands)				
February Forecast, Final	149.1	150.3	152.8	154.6
Percent Change	-1.2%	3.2%	6.7%	5.0%
November Forecast	148.4	150.4	152.7	154.4
Percent Change	-1.1%	5.6%	6.3%	4.5%
Housing Permits (Thousands)				
February Forecast, Final	34.6	31.4	32.6	33.6
Percent Change	133.8%	-32.1%	17.1%	12.7%
November Forecast	30.1	31.4	32.4	33.8
Percent Change	36.8%	17.5%	14.5%	18.3%

2013	2014	2015	2016	2017	2018	2019
305.3	316.2	328.5	341.0	354.4	367.2	379.8
1.9%	3.6%	3.9%	3.8%	3.9%	3.6%	3.4%
305.2	316.9	328.0	339.3	351.9		
2.0%	3.8%	3.5%	3.5%	3.7%		
327.3	342.7	360.9	379.7	399.8	419.9	439.4
3.1%	4.7%	5.3%	5.2%	5.3%	5.0%	4.7%
327.1	344.0	361.5	379.9	399.6		
3.1%	5.2%	5.1%	5.1%	5.2%		
2940	2999	3063	3123	3174	3217	3252
2.3%	2.0%	2.1%	2.0%	1.6%	1.4%	1.1%
2934	2985	3041	3095	3142		
2.1%	1.8%	1.9%	1.8%	1.5%		
7.0	6.5	6.1	6.0	5.9	5.8	5.8
7.0	6.6	6.2	6.0	6.0		
286.6	289.9	294.2	296.6	298.4	300.7	302.5
2.3%	1.1%	1.5%	0.8%	0.6%		
286.3	290.4	295.4	297.2	298.2		
2.2%	1.4%	1.7%	0.6%	0.3%		
148.2	153.6	163.2	173.4	182.7	189.2	192.2
6.6%	3.6%	6.3%	6.2%	5.4%	3.5%	1.6%
147.8	153.4	162.2	172.7	182.0		
6.4%	3.8%	5.7%	6.5%	5.4%		
31.7	33.1	37.8	41.2	41.8	42.5	43.2
12.6%	4.6%	14.2%	8.9%	1.5%	1.6%	1.7%
30.4	33.1	38.1	41.0	41.0		
8.2%	8.9%	14.9%	7.7%	0.0%		